

Press

Munich, November 6, 2020

Osram masters corona year 2020 well

- Osram's Managing Board keeps operating margin stable in fiscal 2019/ 2020
- Comparable sales fell by 13.8 percent
- Free cash flow positive at twelve million euros
- Management confirms outlook for 2021

Osram has come through the Year of Corona well thanks to efficient management. "We acted early and consistently. We have protected both our employees and our production. This has paid off. Our free cash flow was positive in the last fiscal year at twelve million euros. We are particularly proud of this," said Olaf Berlien, CEO of OSRAM Licht AG. Despite a comparable revenue decline of almost 14 percent, the adjusted EBITDA margin remained stable at the previous year's level of over eight percent. The measures taken have all progressed as planned. The net result has been impacted by the fall in revenue due to the crisis, the planned costs for the transformation and for depreciation relating to the Osram Continental joint venture. The Managing Board confirms the forecast for the new fiscal year issued at the end of September. The current trend in incoming orders for semiconductor business is positive.

The semiconductor business of the Opto Semiconductors (OS) unit contributed in particular to this development. The streamlining of the product portfolio is having a positive impact here. Because of corona, revenue fell by around nine percent to 1.34 billion euros, whereas the adjusted EBITDA margin climbed to more than 20 percent.

Automotive business (AM) was more affected by the economic effects of the pandemic. Revenue fell by 14 percent to 1.59 billion euros. Adjusted EBITDA was around 76 million euros. Adjusted EBITDA margin for the automotive segment as a whole was about five percent. This reflects dilution effects from Osram Continental. Its business is

to be returned to the parent companies and is planned to be developed positively. This will also significantly improve the profitability of the automotive segment.

The Digital (DI) unit was even worse affected, with revenue falling by one fifth to 742 million euros. As a result, adjusted EBITDA was negative at minus 28 million euros.

Encouraging developments in the fourth quarter

The two major business segments, Opto Semiconductors and Automotive, indicate improvements in the fourth quarter of the fiscal year. Profitability increased accordingly in both segments. The Opto Semiconductors unit even achieved an adjusted EBITDA margin of roughly 22 percent.

There was a noticeable upturn in the automotive market, which is an important one for Osram. Overall, the situation has improved significantly in the core markets in recent months.

For the 2021 fiscal year, Osram expects comparable revenue growth of between six and ten percent, an adjusted EBITDA margin of nine to eleven percent, and free cash flow in the neutral to low positive double-digit million euro range. This forecast is based on the assumption that the effects of the COVID-19 pandemic will be overcome in the course of the fiscal year 2021. Any economic consequences of a worsening pandemic situation are therefore not reflected in the forecast values.

Osram will hold a conference call for journalists on Friday, November 6, starting at 9:00 a.m. CET with the Managing Board of OSRAM Licht AG. It will also be broadcast on the internet at <https://87399.choruscall.eu/links/osram201106pr.html>. You can also use this address to view a recording of the conference.

From 2:00 p.m. CET on November 6 you can follow the analyst conference with the Managing Board using this link: <https://87399.choruscall.eu/links/osram201106ir.html>

The related documentation is available here: <https://www.osram-group.com/en/investors/publications/2020>

The annual report of OSRAM Licht AG will be published on December 2 on the Investor Relations website at <https://www.osram-group.com/en/investors/publications/2020>

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Selected fourth-quarter figures for OSRAM Licht AG (ongoing business)

	4th quarter 2020	4th quarter 2019	Change nominal
Revenue	739	924	(20.1%)
Comp. revenue growth ¹	(17.7%)		
EBITDA adjusted ²	71	86	(17.4%)
...margin	9.6%	9.3%	30bps
Earnings after taxes	(89)	(213)	n.a.
Free cash flow	(52)	103	n.a.
Employees in thousands	21	23	(8.8%)

(Preliminary, unaudited figures. Figures in millions of euros, margins in percent, employees as on September 30. Negative values in parentheses.)

(¹Adjusted for currency and portfolio effects)

(²Adjusted for special items, including transformation costs, significant legal and regulatory issues, as well as M&A-related costs.)

Development of the reporting segments in the fourth quarter

	4th quarter 2020	4th quarter 2019	Change nominal
Opto Semiconductors			
... Total revenue	320	385	(16.9%)
... Comp. revenue growth ¹	(14.3%)		
... EBITDA adjusted ²	68	73	(6.1%)
... Free cash flow	70	116	(40.0%)
Automotive			
... Total revenue	395	457	(13.6%)
... Comp. revenue growth ¹	(12.0%)		
... EBITDA adjusted ²	22	27	(17.7%)
... Free cash flow	(37)	37	n.a.
Digital			
... Total revenue	165	268	(38.3%)
... Comp. revenue growth ¹	(35.0%)		
... EBITDA adjusted ²	(7)	11	n.a.
... Free cash flow	(30)	18	n.a.

(Preliminary, unaudited figures in millions of euros. Negative values in parentheses.)

(¹Adjusted for currency and portfolio effects)

(²Adjusted for special items, including transformation costs, significant legal and regulatory issues, as well as M&A-related costs.)

Selected figures for OSRAM Licht AG in the fiscal year (ongoing business)

	Fiscal year 2020	Fiscal year 2019	Nominal change
Revenue	3,039	3,464	(12.3%)
Comp. revenue growth	(13.8%)		
EBITDA adjusted	253	307	(17.5%)
Margin adjusted	8.3%	8.9%	(50bps)
Earnings after taxes	(267)	(343)	n.a.
Free cash flow	12	17	(27.0%)
Employees in thousands	21	23	(8.8%)

(Preliminary, unaudited figures. Figures in millions of euros, margins in percent, employees as on September 30
Negative values in parentheses.)

Development of the reporting segments in the fiscal year

	Fiscal year 2020	Fiscal year 2019	Nominal change
Opto Semiconductors			
Total revenue	1,338	1,464	(8.6%)
... Comp. revenue growth	(9.1%)		
... EBITDA adjusted	269	254	5.9%
... Free cash flow	190	160	18.8%
Automotive			
Total revenue	1,588	1,781	(10.9%)
... Comp. revenue growth	(13.7%)		
... EBITDA adjusted	76	140	(45.6%)
... Free cash flow	(36)	127	n.a.
Digital			
Total revenue	742	934	(20.6%)
... Comp. revenue growth	(20.3%)		
... EBITDA adjusted	(28)	(8)	n.a.
... Free cash flow	(39)	(73)	n.a.

(Preliminary, unaudited figures. Figures in millions of euros, margins in percent, employees as on September 30
Negative values in parentheses.)

ABOUT OSRAM

OSRAM, based in Munich, is a leading global high-tech company with a history dating back more than 110 years. Primarily focused on semiconductor-based technologies, our products are used in highly diverse applications ranging from virtual reality to autonomous driving and from smartphones to smart and connected lighting solutions in buildings and cities. OSRAM uses the endless possibilities of light to improve the quality of life for individuals and communities. OSRAM's innovations enable people all over the world not only to see better, but also to communicate, travel, work and live better. OSRAM had approximately 21,000 employees worldwide as of end of fiscal 2020 (September 30) and generated revenue of around three billion euros from continuing activities. The company is listed on the stock exchanges in Frankfurt and Munich (ISIN: DE000LED4000; WKN: LED 400; trading symbol: OSR). Additional information can be found at www.osram.com.

Disclaimer

This document contains statements and information pertaining to our future business and financial performance and future developments that may constitute forward-looking statements – i.e. statements about processes that take place in the future, not in the past. These statements pertaining to the future can be identified by expressions such as "anticipate", "expect", "want", "intend", "plan", "believe", "aspire", "estimate", "will", "predict" or words of similar meaning. Such statements are based on current expectations and certain assumptions of OSRAM's management. They are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond OSRAM's control, affect OSRAM's operations, performance, business strategy and results and could cause the actual results, performance or achievements of OSRAM to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements or anticipated on the basis of historic trends. These factors include in particular, but are not limited to, the matters described in the chapter "Report on Risks and Opportunities" in the Annual Report of OSRAM Licht Group. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of OSRAM may vary materially from those described in the relevant forward-looking statement as being expected, anticipated, intended, planned, believed, sought, estimated or projected. OSRAM neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures they reference.